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VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

AMENDED SUPPLEMENTAL ORDER REGARDING

ELECTIONS, UNIT: 24727

(hereinafter "Subject Drilling Unit")

REPORT OF BOARD

DOCKET NO. VGOB-02/05/21-1031

FINDINGS AND ORDER

1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992, at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirement of the Virginia Gas and Oil Board Regulations, 4 VAC 25-160.70C by supplementing the Order previously issued by the Board for subject Docket on May 28, 2002, and recorded at Deed Book 547, Page 676 in the Office of the Clerk of Circuit Court, Buchanan County, Virginia on June 5, 2002 (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interest in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 et seq., Virginia Code, 1950 as amended.
2. Findings: The Board finds that:
  - (a) The Board Order directed Columbia Natural Resources, Inc., (herein the Designated Operator"), to mail copies of the Board Order to all respondents whose interest, if any, were pooled by said Board Order;
  - (b) The designated operator filed its affidavit of mailing dated June 20, 2002, disclosing that it had mailed a correct copy of the Board's Order to all Respondents whose interest, if any, were pooled by said Board Order;
  - (c) The Board Order required each Respondent whose interest, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its affidavit dated June 20, 2002 in accordance with § 7.C of the Virginia Gas and Oil Board Regulations and 4 VAC 25-160.70C (herein "Affidavit of Election"), wherein it has, for each Respondent whose interest, if any, were pooled by said Board Order, stated: (i) whether

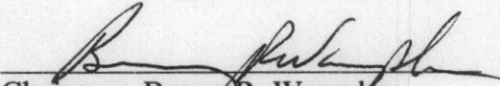
ENTERED

each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interest, estates and claims in Subject Drilling Unit to the Designated Operator;

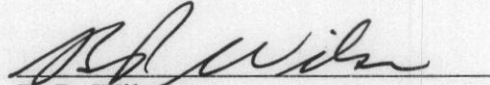
- (d) The Board Order further required the Designated Operator, after expiration of the election period, to file with the Board a statement of the interests subject to escrow under the terms and provisions of the Board Order, in light of the elections made or deemed to have been made (herein "Statement of Interests"); that the Designated Operator furnished said Statement of Interests as part of its Affidavit of Election. A copy of which is attached hereto as Exhibit B;
  - (e) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, First Union National Bank, Corporate Trust, PA 1328, 123 Broad Street, Philadelphia, PA 19109-1199, (888) 396-0853, Attn: Don Ballinghoff, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow. Current Board escrow standards were made applicable to Subject Drilling Unit by a Board Order dated December 23, 1992.
3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2 above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, First Union National Bank, Corporate Trust, PA 1328, 123 Broad Street, Philadelphia, PA 19109-1199, (888) 396-0853, Attn: Don Ballinghoff, or any successor named by the Board to establish interest-bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in said affidavits to receive such funds and account to the Board therefore.
  4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that true and correct copy of this Order to each person whose interest or claim is subject to escrow and whose address is known.
  5. Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
  6. Effective Date: This Order shall be effective on the date of its execution.



DONE AND EXECUTED this 18<sup>th</sup> day of February, 200<sup>3</sup>7 by a majority of the Virginia Gas and Oil Board.

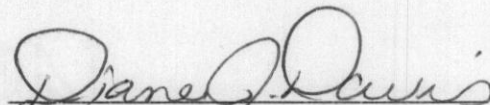
  
Chairman, Benny R. Wampler

DONE AND PERFORMED THIS 19<sup>th</sup> day of February, 200<sup>3</sup>7 by Order of this Board.

  
B. R. Wilson  
Principal Executive to the Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA )  
COUNTY OF WISE )

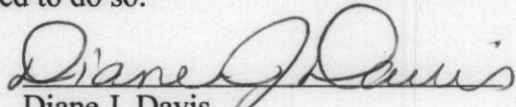
Acknowledged on this 18<sup>th</sup> day of February, 200<sup>3</sup>7, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
~~Susan G. Garrett~~  
Notary Public

My commission expires: 9/30/05.

STATE OF VIRGINIA )  
COUNTY OF WISE )

Acknowledged on this 19<sup>th</sup> day of February, 200<sup>3</sup>7, personally before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn did depose and say that he is Principal Executive to the Staff Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
Diane J. Davis  
Notary Public

My commission expires: 9/30/05.

**VIRGINIA:**

BOOK 563 PAGE 415

***BEFORE THE VIRGINIA GAS AND OIL BOARD***

IN RE: Application of Columbia Natural Resources, for Forced Pooling of Interests in Unit Number 24727, VGOB Docket No. VGOB-02/05/21-1031 in the Knox Magisterial District of Buchanan County, Virginia.

**AFFIDAVIT OF WILHOIT & KAISER, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER**

James E. Kaiser (herein Affiant), being first duly sworn on oath, deposes and says:

1. That the Affiant is an attorney in the law firm of WILHOIT & KAISER, the Agent for the Designated Operator, with offices located at 220 Broad Street, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on May 28, 2002, by the Virginia Gas and Oil Board regarding the captioned conventional Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
3. That within seven (7) days of the receipt of an executed copy of the Order referred to at Paragraph 2. above, the Affiant was directed to cause a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who are added as Respondents at the hearing held in the captioned matter;
4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date said Order was recorded in the county above named; that said Order was recorded on June 5, 2002.
5. That the Designated Operator, by and through their agent, Wilhoit & Kaiser, Attorneys-at-Law, have established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interest have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to Subject Unit; that the following persons delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day election periods:

NONE



6. That the interest and/or claims of the following persons (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia as unknown/unlocatable.

NONE

7. That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator with regard to their interest and/or claims which are not subject to escrow:

NONE

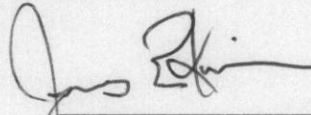
8. That the following persons have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective interests shall be deemed to have leased pursuant to and in accordance with paragraph 10 of the Order.

Tract	Name	Cash Consideration
2	Ruby E. Farley	0.526 Acres x \$5.00 = \$2.63
2	Talbert Randy Farley	0.107 Acres x \$5.00 = \$0.54
2	Herbert Farley, Jr.	0.872 Acres x \$5.00 = \$4.36
2	Kenneth L. Farley	0.107 Acres x \$5.00 = \$0.54
2	Brian K. Farley	0.107 Acres x \$5.00 = \$0.54
2	Arnold D. Farley	0.077 Acres x \$5.00 = \$0.39
2	Terry L. Farley	0.076 Acres x \$5.00 = \$0.38
2	Linda Farley Childers	0.382 Acres x \$5.00 = \$1.91
2	Helen Farley Wilson	0.352 Acres x \$5.00 = \$1.76
2	Winifred L. Farley, Jr	0.382 Acres x \$5.00 = \$1.91

9. The final plat filed here as "Exhibit A" and the "Exhibit B" filed with this Order and Affidavit reflect the correct ownership within the Subject Unit.

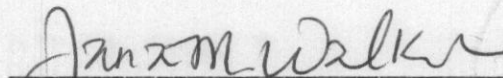
That pursuant to the provision of 4VAC 25-160.70C annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth that the services of the Escrow Agent are not required in this matter pursuant to the terms of §§ 45.1-361.21.D.

Dated at Kingsport, Tennessee, this 4<sup>th</sup> day of October 2002.

  
Affiant

Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of Columbia Natural Resources, Inc., a corporation, on behalf of the corporation, this 4<sup>th</sup> day of October, 2002.

My commission expires: August 18, 2003

  
Notary



**AMENDED EXHIBIT "B"**  
**WELL 24727**

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
1	Buchanan Energy Company P O Box 1510 Grundy, VA 24614	Leased 1045554-000	95.600000%	107.2800
2	<b>MARY JANE FARLEY HEIRS</b>  <b><u>Herbert Farley Sr. Heirs</u></b>  Ruby E. Farley 8733 Highway 1056 McCarr, KY 41544	Unleased	0.432170%	0.4852
	Talbert Randy Farley P O Box 321 McCarr, KY 41544	Unleased	0.088390%	0.0992
	Herbert Farley Jr. P O Box 396 McCarr, KY 41544	Unleased	0.088390%	0.0992
	Kenneth L. Farley P O Box 8789, Hwy 1056 McCarr, KY 41544	Unleased	0.088390%	0.0992
	Brian K. Farley P O Box 517 McCarr, KY 41544	Unleased	0.088390%	0.0992
	<b><u>Edith Farley Norman Heirs</u></b>  Essie Jane Whetstone 8703 Springtree Drive Tampa, FL 33637	Leased 1222299-009	0.157140%	0.1764

**AMENDED EXHIBIT "B"**  
**WELL 24727**

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<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	John Norman 2317 Meadow View Lane Cridersville, OH 45806	Leased 1222299-007	0.157140%	0.1764
	Claude Norman Jr., by Essie Jane Whetstone, POA 8703 Springtree Drive Tampa, FL 33637	Leased 1222299-010	0.157140%	0.1764
	<b><u>Charles Farley Heirs</u></b>			
	Merle Ivadean Anderson 00317 State Rt 33 West St. Marys, OH 45885	Leased 1222299-001	0.062860%	0.0706
	Karean Bernada Rude 750 Columbus Ave Belfontaine, OH 43311	Leased 1222299-002	0.062860%	0.0706
	Ronnie H. Farley 16487 Hauss Road Wapaknoeta, OH 45895	Leased 1222299-008	0.062860%	0.0706
	Arnold Darel Farley 08350 Bice Road Cridersville, OH 45806	Unleased	0.062860%	0.0706
	Janice L. Ramga 08299 National Road Wapakoneta, OH 45895	Leased 1222299-003	0.062860%	0.0706
	Donnie F. Farley 1306 Hawthorne Street St. Marys, OH 45885	Leased 1222299-004	0.062860%	0.0706



AMENDED EXHIBIT "B"  
WELL 24727

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Terry L. Farley 15198 Kruse Road Wapakoneta, OH 45895	Unleased	0.062860%	0.0706
	Lonnie Douglas Farley 20 Riverside Drive Wapakoneta, OH 45895	Leased 1222299-005	0.062850%	0.0706
	Sharon Kaye Duty 09325 National Road Wapakoneta, OH 45895	Leased 1222299-006	0.062850%	0.0706
	Aretta Sue Sullivan 610 Royal Oak Drive St. Marys, OH 45885	Leased 1222299-016	0.062850%	0.0706
	<b><u>Glen C. Farley Devisee</u></b>			
	Herbert Farley Jr. P O Box 396 McCarr, KY 41544	Unleased	0.628570%	0.7057
	<b><u>Ernest Farley Heirs</u></b>			
	L. Roger Farley 5261 Oglethorpe Court Powder Springs, GA 30127	Leased 1222299-011	0.125720%	0.1411
	Carolyn Stultz 2024 Montecito Drive Glendale, CA 91208	Leased 1222299-012	0.125720%	0.1411
	Debbie Clemson 727 Vera Drive Pikeville, KY 41501	Leased 1222299-013	0.125710%	0.1411

**AMENDED EXHIBIT "B"**  
**WELL 24727**

BOOK **563** PAGE **421**

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Gary Farley 7380 Talbot Colony Dunwoody, GA 30328	Leased 1222299-014	0.125710%	0.1411
	Bruce Farley 2400 Florence Road Powder Springs, GA 30127	Leased 1222299-015	0.125710%	0.1411
	<b><u>Winfred L. Farley Sr. Heirs</u></b> Winfred L. Farley Jr. P. O. Box 404 Turkey Creek, KY 41570	Unleased	0.314280%	0.3529
	Linda Farley Childers 491 New Camp Road South Williamson, KY 41503	Unleased	0.314290%	0.3529
	<b><u>Tobey Ray Farley Heirs</u></b>  Helen Farley Wilson P O Box 122 Matewan, WV 25679	Unleased	0.314280%	0.3529
	<b><u>Herbert Farley Sr. Heirs</u></b>  Ruby E. Farley 8733 Highway 1056 McCarr, KY 41544	Unleased	0.036010%	0.0404
	Talbert Randy Farley P O Box 321 McCarr, KY 41544	Unleased	0.007360%	0.0082
	Herbert Farley Jr. P O Box 396 McCarr, KY 41544	Unleased	0.007360%	0.0082
	Kenneth L. Farley P O Box 8789, Hwy 1056 McCarr, KY 41544	Unleased	0.007360%	0.0082



AMENDED EXHIBIT "B"  
WELL 24727

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<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Brian K. Farley P O Box 517 McCarr, KY 41544	Unleased	0.007360%	0.0082
	<u>Edith Farley Norman Heirs</u>			
	Essie Jane Whetstone 8703 Springtree Drive Tampa, FL 33637	Leased 1222299-009	0.013090%	0.0147
	John Norman 2317 Meadow View Lane Cridersville, OH 45806	Leased 1222299-007	0.013090%	0.0147
	Claude Norman Jr., by Essie Jane Whetstone, POA 8703 Springtree Drive Tampa, FL 33637	Leased 1222299-010	0.013090%	0.0147
	<u>Charles Farley Heirs</u>			
	Merle Ivadean Anderson 00317 State Rt 33 West St. Marys, OH 45885	Leased 1222299-001	0.005240%	0.0059
	Karean Bernada Rude 750 East Columbus Ave Belfontaine, OH 43311	Leased 1222299-002	0.005240%	0.0059
	Ronnie H. Farley 16487 Hauss Road Wapakoneta, OH 45895	Leased 1222299-008	0.005240%	0.0059
	Arnold Darel Farley 08350 Bice Road Cridersville, OH 45806	Unleased	0.005240%	0.0059

AMENDED EXHIBIT "B"  
WELL 24727

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<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Janice L. Ramga 08299 National Road Wapakoneta, OH 45895	Leased 1222299-003	0.005240%	0.0059
	Donnie F. Farley 1306 Hawthorne Street St. Marys, OH 45885	Leased 1222299-004	0.005240%	0.0059
	Terry L. Farley 15198 Kruse Road Wapakoneta, OH 45895	Unleased	0.005240%	0.0059
	Lonnie Douglas Farley 20 Riverside Drive Wapakoneta, OH 45895	Leased 1222299-005	0.005240%	0.0059
	Sharon Kaye Duty 09325 National Road Wapakoneta, OH 45895	Leased 1222299-006	0.005240%	0.0059
	Aretta Sue Sullivan 610 Royal Oak Drive St. Marys, OH 45885	Leased 1222299-016	0.005240%	0.0059
	<u>Glen C. Farley Heirs</u>			
	Herbert Farley Jr. P O Box 396 McCarr, KY 41544	Unleased	0.052390%	0.0588
	<u>Ernest Farley Heirs</u>			
	L. Roger Farley 5261 Oglethorpe Court Powder Springs, GA 30127	Leased 1222299-011	0.010480%	0.0118



**AMENDED EXHIBIT "B"**  
**WELL 24727**

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	Carolyn Stultz 2024 Montecito Drive Glendale, CA 91208	Leased 1222299-012	0.010480%	0.0118
	Debbie Clemson 727 Vera Drive Pikeville, KY 41501	Leased 1222299-013	0.010480%	0.0118
	Gary Farley 7380 Talbot Colony Dunwoody, GA 30328	Leased 1222299-014	0.010480%	0.0118
	Bruce Farley 2400 Florence Road Powder Springs, GA 30127	Leased 1222299-015	0.010480%	0.0118
	<u>Winfred L. Farley Sr. Heirs</u> Winfred L. Farley Jr. P. O. Box 404 Turkey Creek, KY 41570	Unleased	0.026190%	0.0294
	Linda Farley Childers 491 New Camp Road South Williamson, KY 41503	Unleased	0.026190%	0.0294
<b>TOTALS</b>			100.000000%	112.2200
	Percentage of Unit Leased		97.336430%	
	Percentage of Unit Unleased		2.663570%	
	Acreage in Unit Leased			109.2298
	Acreage in Unit Unleased			2.9902

VIRGINIA: In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgment annexed, admitted to record this 15th day of February, 2003 at 1:40 P. M.  
Deed Book No. 625 and Page No. 412.  
Returned to: Amme TESTE: James M. Bevens, Jr., Clerk  
Shirley S. Miller Deputy Clerk